



Press Release

Social Security Administration Office of the Inspector General

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Social Security Inspector General Report: *Aged Beneficiaries in Need of Representative Payees*

The Social Security Administration (SSA) Inspector General issued a report on March 30, 2010 that identified potential vulnerabilities of direct payment to aged beneficiaries and determined that additional safeguards were needed to ensure their funds are properly managed.

SSA selects representative payees for beneficiaries who cannot manage or direct the management of their finances because of their youth or mental and/or physical impairments. The Inspector General conducted this review to examine a concern that SSA may not be aware of aged beneficiaries who need representative payees. Medical statistics state that up to 50 percent of individuals over age 85 may suffer from Alzheimer's disease or dementia. For this review, the Inspector General identified about 5 million beneficiaries over age 85, of which only 231,817 (4.6 percent) had representative payees.

Based on a review of a random sample of 275 beneficiaries, the Inspector General estimated that approximately 1 million aged beneficiaries who received about \$1 billion in monthly benefits may have been incapable of managing or directing the management of their benefits. These beneficiaries generally had individuals or organizations managing their Social Security benefits without SSA's knowledge and approval. This occurred, in part, because SSA did not identify aged beneficiaries who became incapable after their initial entitlement to benefits. In addition, individuals or organizations who managed the benefits were not always aware of SSA's Representative Payment Program.

As a result of the Inspector General's report, SSA is taking corrective action for 61 incapable beneficiaries identified during the audit. However, SSA stated that it does not plan to identify additional beneficiaries in need of representative payees because it could not justify the investment of resources. Finally, SSA evaluated the need for additional representative payee policy and submitted a legislative proposal for monitoring family members who manage incapable beneficiaries' funds.

To view the full report, visit <http://www.ssa.gov/oig/ADOBEPDF/A-09-09-29002.pdf> for additional information, contact the OIG's public affairs staff assistant at (410) 965-4518.